SENATE BILL REPORT SJR 8224

As Reported By Senate Committee On: Education, January 30, 2002 Ways & Means, February 12, 2002

Brief Description: Amending the Constitution to provide for a simple majority of voters voting to authorize school district levies.

Sponsors: Senators Eide, Shin, Gardner, Prentice, Franklin, Regala, Jacobsen, Keiser, McAuliffe, Spanel, Kastama, Winsley, Fairley, Thibaudeau, Fraser, Brown, Carlson, Kohl-Welles, Costa, Poulsen, Kline and B. Sheldon; by request of Governor Locke and Superintendent of Public Instruction.

Brief History:

Committee Activity: Education: 1/24/02, 1/30/02 [DP-WM, DNP].

Ways & Means: 2/6/02, 2/12/02 [DPS, DNP].

SENATE COMMITTEE ON EDUCATION

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators McAuliffe, Chair; Eide, Vice Chair; Carlson, Finkbeiner, Kastama, Kohl-Welles, Prentice, Rasmussen and Regala.

Minority Report: Do not pass.

Signed by Senators Hochstatter and Zarelli.

Staff: Kelly Simpson (786-7403)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 8224 be substituted therefor, and the substitute bill do pass.

Signed by Senators Brown, Chair; Regala, Vice Chair; Fairley, Vice Chair; Fraser, Kline, Kohl-Welles, Poulsen, Rasmussen, B. Sheldon, Snyder, Spanel, Thibaudeau and Winsley.

Minority Report: Do not pass.

Signed by Senators Hewitt, Honeyford, Rossi and Zarelli.

Staff: Bill Freund (786-7441)

Background: The Washington State Constitution gives school districts the power to levy additional taxes and assume debt upon voter approval.

Senate Bill Report - 1 - SJR 8224

Excess Property Tax Levies: There are two methods for authorizing excess property taxes for school districts. The first method requires a 40 percent voter turnout; the other does not. In the first method, a levy is approved if at least 60 percent of those voting in a school district election vote "yes" and the number of voters who turn out exceeds 40 percent of the voters who participated in the district's last general election. In the second method, a levy is approved if the number of "yes" votes is at least equal to 60 percent of the 40 percent of the number of voters who voted in the district's last general election.

<u>General Obligation Bonds</u>: A school district may issue general obligation bonds for capital purposes in excess of set limits only if at least 60 percent of those voting in a district election vote "yes" and the number of voters who turn out equals or exceeds 40 percent of the number of voters who participated in the district's last general election.

<u>Incurring Debt:</u> Under the Constitution, a school district may incur debt up to 5 percent of the value of the taxable property in the district if the proposition is approved by 60 percent of the votes cast in an election for that purpose. A school district may incur debt for capital outlays up to 10 percent of the value of the taxable property in the district if the proposition is approved by 60 percent of the votes cast in an election for that purpose.

To amend the Constitution, a bill must be passed by a two-thirds majority of both houses of the Legislature and approved by a majority of the people.

Summary of Substitute Bill: An amendment to the Washington State Constitution is proposed to provide for a simple majority of voters to authorize excess levies and general obligation bonds for school districts. The amendment removes the 40 percent election validation requirement for levy and bond elections. The amendment also provides for a simple majority for voter approval of school district debt.

Substitute Bill Compared to Original Bill: Technical changes are made to the bill.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Upon approval by the voters.

Testimony For: It is unfair that the construction of a stadium or jail only requires a simple majority vote. Schools are no less important. Indeed, schools should be more important because it is the paramount duty of the state to educate children. Excess levies and construction bonds are an increasingly important source of local education funding, especially considering the development of state academic standards throughout the education reform movement. Levy elections consume great amounts of time and money, scarce resources that could be better spent if a simple majority vote was all that was needed to approve the levies/bonds without having to run the elections a second time. Levy failures make it difficult to plan consistent and reliable budgets, and lead to staff layoffs and the lowering of staff and student morale. Ultimately, the decision should be up to the voters.

Testimony Against: None.

Testified: PRO: Senator Eide, prime sponsor; Randy Hathaway, WA School Personnel Assoc.; Greg Roberts, S. Kitsap SD; Gloria Hunter, Yelm SD; Patty Holmgren, Tacoma SD; John Malmin, WEA; Ray Tobiason, AEA; Carol Taylor Cann, Jean Strother, LuAnn Lukens, WSPTA; Glen Gorton, Jim Richardson, PSE; Connie Fletcher, Issaquah School Board; Jean Brown, Battle Ground SD; Christie Perkins, WA State Spec. Ed. Coalition; Bill Lahmann, Olympia SD Supt.; Ross Gallagher, Shelton School Board; Warren Smith, SBE; Barbara Mertens, Jill Jacoby, WASA; Judy Hartmann, Tacoma SD; Kristin Bunce, Gov.'s Office; Bob Butts, OSPI; David Warren, SEIU; Tom Parker, State Board of Education; Doug Nelson, PSE; Ken Kanikeberg, OSPI; Dan Steele, WASSDA; Karen Davis, WEA.

Senate Bill Report - 3 - SJR 8224